

**Hong Kong University of Science and Technology**  
**ECON 2123 - Macroeconomics (3 units)**  
**Summer 2025**

<b>Instructor:</b> C-Y (Eric) Ng Email: <a href="mailto:ecyng@ust.hk">ecyng@ust.hk</a> Office: LSK 6016D Office hours: by appointment <b>Teaching Assistant:</b> Jeremy To Email: <a href="mailto:ecjeremy@ust.hk">ecjeremy@ust.hk</a> Office LSK 6066 Office hours: by appointment <b>Course website:</b> <a href="https://canvas.ust.hk">https://canvas.ust.hk</a>	<b>Lectures (L1)</b> Date and Time: 14-Jul-2025 - 08-Aug-2025 Mon/Wed/Fri 09:30am - 12:50pm Room: Rm 2406, Lift 17-18 <b>Tutorials (T1)</b> Date and Time: 14-JUL-2025 - 08-AUG-2025 Thu 10:00am - 11:50am Room: Rm 2406, Lift 17-18
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**Course Description:**

This is an introductory course on **macroeconomics**. It covers the **measurement** of **macroeconomic variables**, the **short-run** and **medium-run analysis** of the **aggregate economy**, and the analysis of long-term economic growth (if time permits). The economy consists of goods market, financial market, and labour market. We use macroeconomic models to analyze how the economy changes in the short and medium run. We first introduce the **IS-LM** model to analyze the goods and financial markets in the short run. We then combine the labour market with the goods and financial markets to form the **IS-LM-PC** model for the medium-run analysis. We start with a **closed economy** modeling framework and then extend it to an **open economy** setting. We will also use models to analyze the effects of **monetary** and **fiscal** policies on the economy.

**Learning Resources**

Required Textbook: **Macroeconomics**, Global Edition (8<sup>th</sup> edition), by Olivier Blanchard, **Pearson**.

Lecture slides are available in the CANVAS course website. Please note that the lecture slides are not substitutes of the textbook. To be well prepared for the exams, you should first review the lecture slides and then dig into the details of the chapters in the textbook.

**Course Learning Outcomes (CLOs) and Their Mapping to School Learning Outcomes (SILOs)**

Upon successful completion of this course, you should be able to:

- CLO1) Identify important macroeconomic variables and understand their relationships. (SILO 3)
- CLO2) Gather and organize the relevant macroeconomic information for a given context. (SILO 3)
- CLO3) Apply tools learned in class to analyze some current macroeconomic events. (SILOs 1 and 4)
- CLO4) Discuss the consequences of a macroeconomic shock or policy intervention. (SILOs 2 and 4)
- CLO5) Develop an appreciation for macroeconomics and a desire to further study. (SILOs 2 and 3)

• For the details of SILOs, please refer to the following link:

<https://bmundergrad.hkust.edu.hk/academics/academic-programs/learning-outcomes>

## **Teaching Approach**

Teaching & Learning Activities	Roles in the Course	CLOs Addressed
Lectures	Explain concepts and their applications; build student's critical and analytical ability	1, 2, 3, 4, 5
In-class discussions	Encourage participation and critical thinking	1, 2, 3, 4, 5
Tutorials	Review concepts and answers to practice questions	1, 2, 3, 4

## **Course Assessment**

This course will be graded based on your performance on the midterm and final exams. Both midterm and final are in-class closed-book exams. The final exam is cumulative. Your overall score will be the highest score among those of the three weighting schemes:

	Scheme 1	Scheme 2	Scheme 3
Midterm exam (July 25)	30%	15%	0%
Final exam (Aug 8)	70%	85%	100%

- There is no make-up midterm. If you miss the midterm, your overall score will be based on Scheme 3. An absence for the final exam without any valid reasons (e.g., sickness or family emergencies) and documentary proof will result in zero score.
- Practice questions for the midterm and final are available in the course CANVAS website.

## **Course Outline (tentative):**

1. Introduction and Macroeconomic Measurements (Week1) (Chapters 1 and 2)
2. Closed Economy: The Short Run Analysis (Weeks 1, 2)
  - The Goods Market (Chapter 3)
  - Financial Markets (Chapter 4)
  - Goods and Financial Markets: The IS-LM Model (Chapter 5)
  - Financial Markets II: The Extended IS-LM Model (Chapter 6)
3. Closed Economy: The Medium Run Analysis (Weeks 2, 3)
  - The Labor Market (Chapter 7)
  - The Phillips Curve, the Natural Rate of Unemployment, and Inflation (Chapter 8)
  - From the Short to the Medium Run: The IS-LM-PC Model (Chapter 9)
4. Open Economy (Week 3, 4)
  - Openness in Goods and Financial Markets (Chapter 17)
  - The Goods Market in an Open Economy (Chapter 18)
  - Output, the Interest Rate, and the Exchange Rate (Chapter 19)
5. The Long Run Analysis (if time permits)
  - The Facts of Growth (Chapter 10)
  - Saving, Capital Accumulation, and Output (Chapter 11)
  - Technological Progress and Growth (Chapter 12)

### **Final Grade Rubrics**

<b>Grade</b>	<b>Short Description</b>	<b>Elaboration</b>
A	Excellent Performance	Demonstrate a deep understanding of the concepts, methods, and models covered in the course. Exhibit exceptional skills in utilizing them to analyse macroeconomic issues. Excel in the assignments and exams.
B	Good Performance	Show a solid grasp of the concepts, methods, and models covered in the course. Demonstrate good skills in utilizing them to analyse macroeconomic issues. Perform well in the assignments and exams.
C	Fair Performance	Demonstrate a basic understanding of the concepts, methods, and models covered in the course. Show limited skills in utilizing them to analyse macroeconomic issues. Perform fairly in the assignments and exams.
D/F	Marginal Pass/Fail	Students display a lack of understanding of the course materials, inadequate application of concepts and models, and unsuccessful completion of assignments and exams.

### **Course AI Policy**

The use of Generative AI is encouraged for self-learning only. It is not permitted during the exams.

### **Academic Integrity**

Students are expected to uphold HKUST's Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to [Academic Integrity | HKUST - Academic Registry](#) for the University's definition of plagiarism and ways to avoid cheating and plagiarism.